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FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/2006

SPONSOR Ryan LAST UPDATED _____ HB _____

SHORT TITLE NM Indigenous Specialty Crop Marketing SB 275

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 524

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 New Mexico State University (NMSU)
 New Mexico Indian Affairs Department (NMIAD)

SUMMARY

Synopsis of Bill

Senate Bill 275 appropriates \$250,000 from the general fund to the Board of Regents of New Mexico State University (NMSU) to support the New Mexico Department of Agriculture (NMDA) in conducting an indigenous specialty crop marketing program.

FISCAL IMPLICATIONS

The appropriation of \$250,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

This proposal was not included among the special program funding requests submitted by NMSU to the Higher Education Department (HED) for review. Consequently, this proposal has not been included in the HED fiscal year 2007 funding recommendations to the Legislature.

ADMINISTRATIVE IMPLICATIONS

NMDA would administer the funds provided through this legislation. No significant additional administrative impact is anticipated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 275 and House Bill 524 are duplicate measure.

OTHER SUBSTANTIVE ISSUES

NMDA reports that it currently has an ongoing New Mexico Specialty Crop Program established under the New Mexico Specialty Crops Act of 1983. NMDA funds New Mexico companies, individuals, agricultural organizations, commodity groups, and nonprofit organizations which have a commitment to improve the economic viability of New Mexico's rural economy. Funding is used for marketing projects, advertising and promotion, surveys, demonstration projects, marketing development, product development, and organic products. Guidelines and criteria for funding under the Specialty Crops Program have been established and are based on competitive proposals. This fiscal year NMDA funded 20 New Mexico projects for a total of \$119,065. However, over 22 other viable specialty crop projects were not funded due to lack of funds.

The Indian Affairs Department notes that New Mexico specialty crops include pinon nuts, pinto beans, chiles, blue corn, and pelitized alfalfa. For many of the 22 Indian Tribes and Pueblos of New Mexico, agricultural and food products are grown in the traditional Native American way on their tribal lands. It is unclear from the proposed legislation whether this indigenous specialty crop program would be available to the New Mexico Tribes. However, if it is made available, a consultation plan that incorporates tribal viewpoints on environment, water conservation/quality and other unique agricultural issues would need to be developed.

DKE/nt